GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:752
ANSWERED ON:17.05.2002
INSURANCE COMPANIES TIE UP WITH BANKS
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Will the Minister of FINANCE be pleased to state:

(a) whether IRDA is evaluating a proposal to allow insurance companies to have region specific tie up with banks for distributing their products;

(b) if so, the benefits likely to accrue to insurance companies in this regard;

(c) Whether banks have agreed region-wise tie up with insurance companies; and

(d) If so, the details thereof?

Answer

MINISTER OF FINANCE (SHRI YASHWANT SINHA)

(a) to (d) : According to Insurance Regulatory and Development Authority (IRDA), it is not mandatory for insurance companies to seek its approval for tie-up with banks for distribution of their products. Life Insurance Corporation (LIC), Mumbai and United India Insurance Company (UIIC), Chennai have signed Memorandum of Understanding (MOU) with some banks for marketing their insurance products. The benefits likely to accrue to insurance companies are access to banks` reach, network, infrastructure, brand image, customers` trust and customers database for selling insurance products.